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CHILDREN'S BUREAU OF NEW ORLEANS

FINANCIAL STATEMENTS AND INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Year Ended June 30, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

1/21/09

CHILDREN'S BUREAU OF NEW ORLEANS

Year Ended June 30, 2008

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report on Financial Statements .....	1 - 2
Financial Statements:	
Statement of Financial Position .....	3
Statement of Activities .....	4
Statement of Functional Expenses .....	5
Statement of Cash Flows .....	6
Notes to Financial Statements .....	7 - 13
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards .....	14 - 15

**SPILSBURY, HAMILTON, LEGENDRE & PACIERA, LLC**

**CERTIFIED PUBLIC ACCOUNTANTS**

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**INDEPENDENT AUDITOR'S REPORT**

President/CEO and Board of Directors  
Children's Bureau of New Orleans  
New Orleans, Louisiana

We have audited the accompanying statement of financial position of Children's Bureau of New Orleans (a non-profit organization) as of June 30, 2008, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Children's Bureau of New Orleans' management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2007 financial statements and, in our report dated December 19, 2007, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Children's Bureau of New Orleans as of June 30, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2008, on our consideration of Children's Bureau of New Orleans' internal control over financial reporting, and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose

President and Board of Directors  
Children's Bureau of New Orleans

of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

*Spilsbury, Hamilton, Legendre & Paciera, LLC*

September 30, 2008

CHILDREN'S BUREAU OF NEW ORLEANS  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2008  
With Summarized Financial Information  
at June 30, 2007

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 425,639	\$354,741
Accounts receivable, Net	182,027	71,546
Contributions receivable	312,308	261,737
Prepaid expenses	31,716	23,587
Investments	30,906	46,470
Deposits	4,197	4,197
Property and equipment, Net	<u>35,445</u>	<u>42,317</u>
Total Assets	<u>\$1,022,238</u>	<u>\$804,595</u>
<u>LIABILITIES</u>		
Accounts payable	\$ 2,817	\$ 5,326
Accrued expenses:		
Retirement	0	10,001
Vacation	29,662	18,622
Unemployment	0	71,114
Profit sharing payable	<u>35,450</u>	<u>0</u>
Total Liabilities	<u>67,929</u>	<u>105,063</u>
<u>NET ASSETS</u>		
Unrestricted	546,880	404,489
Temporarily restricted	<u>407,429</u>	<u>295,043</u>
Total Net Assets	<u>954,309</u>	<u>699,532</u>
Total Liabilities and Net Assets	<u>\$1,022,238</u>	<u>\$804,595</u>

See accompanying notes to financial statements.

CHILDREN'S BUREAU OF NEW ORLEANS  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2008  
With Summarized Financial Information  
for the Year Ended June 30, 2007

	<u>Unrestricted</u>
<u>SUPPORT, REVENUE, GAINS AND LOSSES</u>	
Contributions and private grants	\$ 90,603
Fees and grants from governmental agencies	898,406
Program service fees	28,950
Dividends and interest	7,221
Net realized and unrealized gain (loss) on investments	(15,564)
Resource development	35,772
United Way contributions allocation	0
United Way contributions designation	17,202
Other	71,437
Net assets released from restrictions	<u>558,920</u>
 Total Support, Revenue, Gains and Losses	 <u>1,692,947</u>
<u>EXPENSES</u>	
Program services:	
Counseling	367,095
Custody evaluations	39,769
Family preservation	152,738
Loss and Survival Team	<u>733,448</u>
	<u>1,293,050</u>
Supporting services:	
Management and general	177,102
Resource development	<u>80,404</u>
	<u>257,506</u>
 Total Expenses	 <u>1,550,556</u>
<u>CHANGE IN NET ASSETS</u>	<u>142,391</u>
Net Assets - Beginning of Year	<u>404,489</u>
Net Assets - End of Year	\$ <u>546,880</u>

See accompanying notes to financial statements.

<u>Temporarily Restricted</u>	<u>2008 Total</u>	<u>2007 Total</u>
\$246,308	\$ 336,911	\$ 301,304
0	898,406	523,879
0	28,950	43,279
0	7,221	2,421
0	(15,564)	9,581
0	35,772	24,656
424,998	424,998	350,000
0	17,202	17,040
0	71,437	17,350
(558,920)	<u>0</u>	<u>0</u>
<u>112,386</u>	<u>1,805,333</u>	<u>1,289,510</u>
0	367,095	123,818
0	39,769	31,704
0	152,738	127,102
<u>0</u>	<u>733,448</u>	<u>610,803</u>
<u>0</u>	<u>1,293,050</u>	<u>893,427</u>
0	177,102	197,157
<u>0</u>	<u>80,404</u>	<u>62,548</u>
<u>0</u>	<u>257,506</u>	<u>259,705</u>
<u>0</u>	<u>1,550,556</u>	<u>1,153,132</u>
112,386	254,777	136,378
<u>295,043</u>	<u>699,532</u>	<u>563,154</u>
<u>\$407,429</u>	<u>\$ 954,309</u>	<u>\$ 699,532</u>

CHILDREN'S BUREAU OF NEW ORLEANS  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2008  
With Summarized Financial Information  
for the Year Ended June 30, 2007

	<u>Program Services</u>		
	<u>Counseling</u>	<u>Custody Evaluation</u>	<u>Family Preservation</u>
Salaries	\$280,791	\$34,157	\$114,209
Employees' retirement benefits and medical insurance	18,117	2,362	6,179
Payroll taxes	<u>22,817</u>	<u>2,136</u>	<u>9,308</u>
Total Employee Compensation	321,725	38,655	129,696
Professional fees and contract service payments	4,508	372	5,202
Supplies	1,956	0	262
Telephone	3,563	52	2,431
Postage and messenger service	77	0	0
Occupancy	19,340	344	4,810
Building and equipment maintenance	403	40	565
Printing and publications	314	0	128
Travel and other transportation	11,982	0	5,521
Conferences and meetings	508	65	752
Membership dues	78	0	0
Depreciation	0	0	0
Miscellaneous	233	0	0
Insurance	2,408	241	3,371
Marketing	0	0	0
Special events	0	0	0
Parking	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenses	<u>\$367,095</u>	<u>\$39,769</u>	<u>\$152,738</u>

See accompanying notes to financial statements.



<u>Loss and Survival Team</u>	<u>Total Program Services</u>	<u>Supporting Services</u>			<u>Total Program and Supporting Services Expenses</u>	
		<u>Management and General</u>	<u>Resource Development</u>	<u>Total Supporting Services</u>	<u>2008</u>	<u>2007</u>
\$518,325	\$ 947,482	\$ 91,164	\$53,160	\$144,324	\$1,091,806	\$ 769,219
44,378	71,036	11,626	3,741	15,367	86,403	67,368
<u>41,921</u>	<u>76,182</u>	<u>265</u>	<u>4,333</u>	<u>4,598</u>	<u>80,780</u>	<u>61,770</u>
604,624	1,094,700	103,055	61,234	164,289	1,258,989	898,357
27,879	37,961	29,586	1,858	31,444	69,405	51,746
10,039	12,257	4,988	0	4,988	17,245	25,760
8,794	14,840	3,300	258	3,558	18,398	17,755
1,110	1,187	1,071	0	1,071	2,258	1,277
47,012	71,506	5,497	1,718	7,215	78,721	53,524
7,840	8,848	0	202	202	9,050	7,927
675	1,117	1,910	0	1,910	3,027	4,585
6,926	24,429	1,302	0	1,302	25,731	12,719
5,447	6,772	3,242	0	3,242	10,014	11,431
75	153	665	0	665	818	1,679
0	0	10,668	0	10,668	10,668	10,944
26	259	2,430	0	2,430	2,689	9,869
13,001	19,021	864	1,204	2,068	21,089	25,692
0	0	3,684	0	3,684	3,684	5,597
0	0	0	13,930	13,930	13,930	5,691
<u>0</u>	<u>0</u>	<u>4,840</u>	<u>0</u>	<u>4,840</u>	<u>4,840</u>	<u>8,579</u>
<u>\$733,448</u>	<u>\$1,293,050</u>	<u>\$177,102</u>	<u>\$80,404</u>	<u>\$257,506</u>	<u>\$1,550,556</u>	<u>\$1,153,132</u>

CHILDREN'S BUREAU OF NEW ORLEANS  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2008  
With Summarized Financial Information  
for the Year Ended June 30, 2007

	<u>2008</u>	<u>2007</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$254,777	\$136,378
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	10,668	10,944
Net realized and unrealized (gain) loss on investments	15,564	(9,581)
Deposits written-off	0	6,777
(Increase) decrease in assets:		
Accounts receivable	(110,481)	104,100
Contributions receivable	(50,571)	(50,000)
Prepaid expenses and deposits	(8,129)	(8,039)
Increase (decrease) in liabilities:		
Accounts payable	(2,509)	(20,280)
Accrued expenses	(70,075)	9,264
Advance payments	0	(20,000)
Profit sharing payable	<u>35,450</u>	<u>0</u>
Net Cash Provided by Operating Activities	<u>74,694</u>	<u>159,563</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of property and equipment	<u>(3,796)</u>	<u>(25,932)</u>
Net Cash (Used for) Investing Activities	<u>(3,796)</u>	<u>(25,932)</u>
Net Increase in Cash and Cash Equivalents	70,898	133,631
Cash and Cash Equivalents -		
Beginning of Year	<u>354,741</u>	<u>221,110</u>
End of Year	<u>\$425,639</u>	<u>\$354,741</u>
<u>Supplemental Schedule of Cash Flow Information</u>		
Cash paid during the year for:		
Interest	\$ <u>0</u>	\$ <u>0</u>
Income taxes	\$ <u>0</u>	\$ <u>0</u>

See accompanying notes to financial statements.

CHILDREN'S BUREAU OF NEW ORLEANS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008

A. Description of Organization

Children's Bureau of New Orleans ("Children's Bureau") is a private, non-profit United Way Agency that offers a variety of services to children and families. Its principal programs include: (1) counseling individuals and families; (2) custody evaluations; (3) family preservation and (4) specialized counseling through the Project L.A.S.T. (Loss and Survival Team) program.

The agency is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and comparable state law, and contributions to it are tax deductible within the limitations prescribed by the Code.

B. Summary of Significant Accounting Policies

Basis of Accounting

Children's Bureau prepares its financial statements on the accrual basis of accounting and, accordingly, reflects all significant receivables, payables, and other liabilities.

Basis of Presentation

Children's Bureau reports information regarding its financial position and activities according to three classes of net assets, depending on the presence and type of donor-imposed restrictions.

*Unrestricted Net Assets* - Those net assets whose use is not restricted by donors.

*Temporarily Restricted Net Assets* - Those net assets whose use by Children's Bureau has been limited by donors (a) to later periods of time or after specified dates, or (b) to specific purposes.

*Permanently Restricted Net Assets* - Those net assets that must be maintained in perpetuity due to donor-imposed restrictions that will neither expire with the passage of time nor be removed by meeting certain requirements.

Children's Bureau has no permanently restricted assets, liabilities or activities.

Prior Year Summarized Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with

CHILDREN'S BUREAU OF NEW ORLEANS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)  
JUNE 30, 2008

Summary of Significant Accounting Policies (Cont'd)

Prior Year Summarized Information (Cont'd)

U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with Children's Bureau's financial statements for the year ended June 30, 2007, from which the summarized information was derived.

Estimates

Children's Bureau uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the *Statement of Cash Flows*, Children's Bureau considers all unrestricted highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

Investments

Children's Bureau carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the *Statement of Financial Position*. Unrealized gains and losses are included in the change in net assets in the accompanying *Statement of Activities*.

Property and Equipment

Children's Bureau capitalizes all expenditures for property and equipment in excess of \$1,000. Purchased property and equipment is carried at cost. Donated property and equipment is carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the useful life of the related assets. The useful lives of Children's Bureau's assets range between five and ten years.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

CHILDREN'S BUREAU OF NEW ORLEANS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)  
JUNE 30, 2008

Summary of Significant Accounting Policies (Cont'd)

Contributions (Cont'd)

Donor support in the form of cash and other assets is reported as restricted support if it is received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, Children's Bureau reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Children's Bureau reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Donated services are recorded that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. During the year, \$15,000 of donated professional services were received and recorded.

C. Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense, and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. There was no bad debt expense for the year ended June 30, 2008.

CHILDREN'S BUREAU OF NEW ORLEANS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)  
JUNE 30, 2008

Accounts Receivable (Cont'd)

The accounts receivable at June 30, 2008 are categorized by source as follows.

Fees and grants from:	
Governmental agencies	\$178,827
Others	3,200
Less: Allowance for doubtful accounts	<u>0</u>
Total	<u>\$182,027</u>

D. Contribution Receivable

The contribution receivable balance at June 30, 2008 is categorized by source and donor restriction as follows:

	Project
	<u>L.A.S.T.</u>
United Way	\$225,000
Institute of Mental Hygiene	<u>87,308</u>
Total	<u>\$312,308</u>

The above amounts are receivable in less than one year, and management considers them to be collectible; accordingly, no allowance for doubtful accounts is recorded.

E. Property and Equipment

Property and equipment consists of the following.

Furniture and fixtures	\$ 30,859
Equipment	86,143
Leasehold improvements	<u>7,443</u>
	124,445
Less: Accumulated depreciation	<u>89,000</u>
Total Property and Equipment	<u>\$ 35,445</u>

Depreciation expense for the fiscal year ended June 30, 2008 was \$10,668.

F. Investments

Investments are stated at fair value, which is based on quoted market prices for those investments. The investments at June 30, 2008 consist of mutual funds.

CHILDREN'S BUREAU OF NEW ORLEANS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)  
JUNE 30, 2008

Investments (Cont'd)

The following schedule summarizes the investment income which is classified as unrestricted in the *Statement of Activities* for the year ended June 30, 2008.

Dividends and interest income	\$ 7,221
Net realized and unrealized gain (loss) on investments	(15,564)
	<u>\$ (8,343)</u>

G. Unrestricted Net Assets

Unrestricted net assets consists of the following:

Carrying value of property and equipment after accumulated depreciation	\$ 35,445
Net assets available for general activities	<u>511,435</u>
	<u>\$546,880</u>

H. Temporarily Restricted Net Assets

Temporarily restricted net assets totaling \$407,429 are for program services that will occur subsequent to June 30, 2008 under the Child and Family Counseling program and Project LAST (Loss and Survival Team).

The following is the temporarily restricted net asset balance by source:

United Way	\$225,000
Institute of Mental Hygiene	87,308
Fore Kids Foundation (Bush/Clinton Katrina)	8,671
Operation U.S.A.	29,226
Greater New Orleans Foundation (America's N.O. Fund)	<u>57,224</u>
	<u>\$407,429</u>

For the year ended June 30, 2008, net assets in the amount of \$558,920 were released from donor restrictions by incurring expenses and providing services satisfying the purpose restrictions specified by donors.

I. Concentrations

During fiscal year 2008, Children's Bureau recorded \$424,998 from the United Way, which represents 24% of total support and revenue.

CHILDREN'S BUREAU OF NEW ORLEANS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)  
JUNE 30, 2008

Concentrations (Cont'd)

At June 30, 2008, Children's Bureau has a contribution receivable from the United Way totaling \$225,000, which represents 22% of total assets.

J. Profit Sharing/Defined Contribution Plan

Children's Bureau had a profit sharing/defined contribution retirement plan covering all employees over 21 years old having at least one year of service and exceeding 1,000 hours of service. Effective April 15, 2008, Children's Bureau changed their retirement plan to a Simple IRA plan. In conjunction with the change, the previous plan was terminated and the participant balances were either transferred into the new simple IRA plan or distributed to the participants. At June 30, 2008 there was a balance related to the previous plan of \$35,450 that still needed to be transferred or distributed. Contributions to the plans are at the discretion of the Board of Directors. The Board approved a contribution for eligible employees at 3% of their salary.

K. Commitments

On June 1, 2006, Children's Bureau entered into a 5-year operating lease for building space. This lease was amended during the year for additional office space. This lease, as amended, calls for monthly rents as follows:

<u>Year</u>	<u>Monthly Rent</u>
1	\$3,900 to \$6,383
2	\$6,546
3	\$6,710
4	\$6,874
5	\$7,036

In addition, this lease contains an escalation clause whereby Children's Bureau shall pay to the Lessor its proportionate share of the increase of any operational cost over and above the base period operating costs as established in the lease agreement.

On June 23, 2006, Children's Bureau entered into a 48-month lease for a copier that requires monthly payments of \$294.



CHILDREN'S BUREAU OF NEW ORLEANS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)  
JUNE 30, 2008

Commitments (Cont'd)

Future minimum commitments under non-cancelable operating leases having initial or remaining terms in excess of one year as of June 30, 2008 for each of the next five years and in the aggregate are:

	<u>Copier</u>	<u>Building</u>	<u>Total</u>
June 30,			
2009	\$3,532	\$ 80,686	\$ 84,218
2010	3,532	82,649	86,181
2011	0	77,393	77,393
2012	0	0	0
2013	<u>0</u>	<u>0</u>	<u>0</u>
	<u>\$7,064</u>	<u>\$240,728</u>	<u>\$247,792</u>

Rental expense under all operating leases for fiscal year ended June 30, 2008 was \$82,253.

L. Self-Insurance

Children's Bureau is self-insured for unemployment insurance. In fiscal year 2006, Children's Bureau recorded a liability of \$71,114 to reimburse the Louisiana Department of Labor ("LA Works") for unemployment claims paid by LA Works on behalf of Children's Bureau as a result of Hurricane Katrina. On June 28, 2008, House Bill 186 of the 2008 regular session of the Louisiana Legislature was signed into law. This bill forgave unemployment compensation debt for employers who owe reimbursement payments for benefits paid as a result of Hurricane Katrina. Because of this bill, Children's Bureau was no longer liable and the liability was removed. The removal of the liability resulted in \$71,114 of income which is included in "Other Income" in the accompanying Statement of Activities.

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(1932-2003)  
LEROY P. LEGENDRE, C.P.A.  
(Retired)

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

President/CEO and Board of Directors  
Children's Bureau of New Orleans  
New Orleans, Louisiana

We have audited the financial statements of Children's Bureau of New Orleans, a non-profit organization, as of and for the year ended June 30, 2008, and have issued our report thereon dated September 30, 2008. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Children's Bureau's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Children's Bureau's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as described above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Children's Bureau's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the President/CEO, Board of Directors, management, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

*Spilsbury, Hamilton, Legendre & Paciera*

September 30, 2008